



Codere announces signing of agreement with Grupo Caliente

MADRID, July 19, 2010. On July 16, 2010, we signed definitive documentation with Grupo Caliente (“Caliente”) to restructure our previous contractual relationship (the “Caliente Agreements”). Caliente is the Mexican group to whom we have provided gaming management services and hall development funding since 1997.

The consummation of all aspects of the Caliente Agreements, other than the transactions described in this paragraph, which became effective on July 16, 2010, are subject to the approval of Cofeco, the Mexican Federal Competition Commission. Pursuant to the Caliente Agreements, Codere has agreed to provide the three licensees subject to the Caliente Agreement (“Joint Opcos”) financing through a revolving credit facility of an aggregate principal amount of U.S. \$40 million, which may be increased to U.S. \$100 million, to finance the payment of certain liabilities owed by the Joint Opcos to third parties, their operating cash flows, including for capital expenditures, and to pay dividends to its shareholders (“Caliente RCF”). Funding for the Caliente RCF, for which the Joint Opcos and two Caliente companies are jointly and severally liable borrowers, has been made available by Barclays Bank PLC and Credit Suisse under the Senior Facilities Agreement. The obligation to repay amounts borrowed under the Caliente RCF is secured by share pledges over the shares of each of the Joint Opcos held by Caliente. In addition, on July 16, 2010, the previous management services agreements with Caliente were terminated and new management services agreements were entered into among Codere and the Joint Opcos for an aggregate annual fee of up to U.S.\$36 million through 2014. In connection with the new management services agreements, Codere will also provide transitional assistance services to the Joint Opcos for an aggregate monthly fee of U.S.\$1 million from July 1, 2010 until the earlier of (a) Cofeco approval and (b) December 31, 2010. Codere also entered into management services agreements with Promojuegos and Mio Games for an aggregate annual fee of up to U.S.\$8 million through 2014.

Following the consummation of the Caliente Agreements, which is subject to Cofeco approval, Codere would acquire 67.3% of the capital stock of the Joint Opcos, with the remaining 32.7% held by Caliente. As of July 16, 2010, the Joint Opcos held an aggregate of 46 gaming permits and operated 32 halls in Mexico. Codere and Caliente would also restructure the approximate U.S. 171.5¹ million debt owed to us by Caliente as follows: U.S. \$71 million would be exchanged for Codere’s stake in the Joint Opcos and U.S. \$75 million will be a loan from Codere to the Joint Opcos. The remaining U.S. \$25.5 million will be the new amount of the Caliente debt to Codere. In addition, Codere and Caliente would hold indirect stakes representing 67.3% and 32.7%, respectively, of the capital stock of each of Promojuegos and Mio Games. Assuming the Caliente Agreements had occurred on January 1, 2009, and based on unaudited consolidated pro forma information, our consolidated EBITDA in 2009 would have increased by €19.7 million, from €231.1 million to €250.8 million.

We believe that the Cofeco review process will take as long as six months, nevertheless we cannot assure you that Cofeco will approve the Caliente Agreements on a timely basis or at all.

Investor presentation and conference call

Codere will hold an investor presentation and conference call to update on recent events, including the Caliente Agreements. Details of the presentation and conference call are as follows:

Date: Tuesday, July 20, 2010
Time: 13.00h GMT/14.00h CET/8.00 EST
Location: Great Eastern Room, Andaz Hotel, Liverpool Street, London
Dial-in: (+44) [0] 1452 568 442 (Ref: 88900165)
Recording: (+44) [0] 1452 550 000 (Ref: 88900165)

To confirm attendance at the presentation, please e-mail inversor@codere.com.

¹ These amounts are based on May 2010 management accounts. Final figures will be based on revised financial statements for June 30, 2010.



About Codere: Codere is a leading gaming company engaged in the management of gaming machines, bingo halls, casinos, racetracks and betting locations in Latin America, Spain, and Italy.

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